



## **Part 1: News Analysis**

### **Issue 24 (2008)**

### **June 6-12, 2008**

Russia reasserted itself in the ongoing competition for Turkmen energy resources this week. At an informal CIS summit over the weekend in St. Petersburg, President Gurbanguly Berdymukhamedov met first with Russian President Medvedev in a visible nod to Turkmenistan's leading trade partner. The Russian leader agreed to come to Ashgabat July 4-5, and expressed confidence that an agreement would be reached by then on the market price for Turkmenistan's gas exports to Russia in 2009.

President Berdymukhamedov's willingness to meet with a wide variety of suitors, and the all-importance of his personal clearance, means that the Turkmen government's diplomacy is a kind of blank slate upon which to write foreign aspirations. While the West continues to hope that Turkmenistan will cooperate with alternative plans for energy supply, at their meeting the Russian and Turkmen presidents discussed the construction of a new Caspian-coast gas pipeline and the modernization of the existing Central Asia-Center gas pipeline, both Russian-dominated projects. Turkmenistan didn't move any further toward full-fledged membership in the CIS, but President Berdymukhamedov said more active participation was in order, and proposed organizing a CIS agro-industrial exhibition, given concerns about world food security.

Gazprom CEO Alexei Miller, who last week failed to get a meeting with President Berdymukhamedov, spoke critically at an energy conference in France this week about the West's rush to court Caspian leaders, which he said would only drive prices up. In a draft version of his press release leaked to Dow Jones, Miller blasted Turkmenistan for not really having the hydrocarbon reserves to meet all its customers' needs, a charge he refrained from making publicly. Meanwhile, unfazed, following an international gas and oil exhibit in Ashgabat that attracted 50 companies from 23 countries, the Turkmen leader met with Gazprom's rival, Itera, and also the German company Siemens, urging them to become involved in joint gas and oil exploration projects in Turkmenistan. His cooperation with the U.S. also remains steady, as he received John Deere executives this week and will have his Defense Minister meet with top U.S. naval commanders to discuss regional security next week.

After his trip to Central Asia last week, the Finnish Chair-in-Office of the OSCE spoke enthusiastically about possibly being allowed to monitor parliamentary elections in Turkmenistan in December. The OSCE usually does not send full-fledged monitoring teams when pre-conditions such as access to the election process by alternative political groups are not met. There are so far no indications that Turkmenistan will allow parties other than the ruling party to compete.

Turkmenistan inched forward in opening up its citizens' access to the Internet this month, with the state-run fixed-line Internet provider beginning some home installations and Russia's MTS starting wireless coverage. Yet with obvious government control of controversial websites, slow connections, and steep costs beyond the reach of most Turkmen, the circle of users is not likely to widen much beyond the government officials and foreigners permitted in the past. The British Embassy opened up an English-language training center in Ashgabat, in one of many programs designed to help Turkmenistan overcome its years of isolation.

Another statue and some bas-relief portraits of past dictator Saparmurat Niyazov were dismantled, prompting some hope for a further departure from the cult of personality. Yet some observers have pointed out that the rush to complete certain high-profile buildings in Ashgabat now may be geared to the celebration of President Berdymukhamedov's birthday on June 30, indicating that the rituals of power may remain unchanged.

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### 1. INTERNATIONAL RELATIONS

#### a. Russian, Turkmen Presidents Meet to Discuss Energy Agreements

**Original title:** *Turkmen, Russian Leaders Discuss Partnership in Energy Sector*

**Source:** *BBC Monitoring--Central Asia/06/07/08/Official Turkmen government website/06/06/08*

Excerpt: President Gurbanguly Berdymukhamedov of Turkmenistan had a meeting with President Dmitry Medvedev of the Russian Federation today in the oval hall of the Konstantinovskiy Palace [in Russia's St Petersburg].

[Passage omitted: the two exchanged complimentary remarks; Medvedev is due to visit Ashgabat next month; Turkmen-Russian trade exceeded U.S. \$5 billion last year.]

During the meeting, the parties discussed a number of issues concerning bilateral cooperation, primarily in the fuel and energy sector – a sector of strategic importance for both countries. In this context, both sides expressed mutual desire to expand partnership in the gas sector on a long-term basis and in accordance with a 25-year inter-state agreement.

Among other items of mutual interest, a number of joint projects were discussed which the two countries plan to implement in Turkmenistan, including the construction of the Caspian gas pipeline and the modernization of the existing trans-national gas pipeline system [Central Asia-Center], through which Central Asian gas flows north.

[Passage omitted: repeat of praising remarks on Turkmen-Russian relations.]

#### b. Russia's Medvedev to Visit Turkmenistan, Azerbaijan Early July

**Original title:** *Russia's Medvedev to Visit Turkmenistan, Azerbaijan Early July*

**Source:** *RIA Novosti/06/06/08. Synopsis by OSI Turkmenistan Program*

**Full version:** <http://en.rian.ru/russia/20080606/109390376.html>

**Synopsis:** Russian President Dmitry Medvedev will make an official visit to Turkmenistan and Azerbaijan in early July, RIA Novosti reported. The announcement followed a meeting between President Medvedev and Turkmen President Gurbanguly Berdymukhamedov at an informal CIS summit in St. Petersburg on June 6. "Turkmenistan has always said that Russia is its strategic partner," the outlet quoted the Turkmen leader as saying.

During the July 4-5 visit, the presidents are expected to sign a number of bilateral agreements.

### **c. Russia, Turkmenistan Likely to Complete Gas Price Talks by July**

**Original Title:** *Russia, Turkmenistan to Complete Gas Price Talks by July: Report*

**Source:** AFP/06/06/08. Synopsis by OSI Turkmenistan Project

**Full version:** <http://afp.google.com/article/ALeqM5gsdUATk62tfen7TAr6a3YqZ7PbUA>

**Synopsis:** Russia and Turkmenistan could complete negotiations on the price Russia will pay for Turkmen gas in 2009 as early as July, AFP reported, citing Interfax. Alexander Medvedev, deputy chairman of the board of Russian gas monopoly Gazprom, said on June 6 that Russia is prepared to pay market rates for Turkmen gas. In July, Russia will begin paying US \$150 per 1,000 cubic meters of gas.

### **d. Turkmen President Participates in Informal CIS Summit in St. Petersburg**

**Original title:** *Turkmen Leader Makes Statement at CIS Summit in St. Petersburg*

**Source:** [turkmenistan.ru/06/06/08](http://turkmenistan.ru/06/06/08). Synopsis by OSI Turkmenistan Project.

**Full version:** [http://www.turkmenistan.ru/?page\\_id=3&lang\\_id=en&elem\\_id=12943&type=event&sort=date\\_desc](http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=12943&type=event&sort=date_desc)

**Synopsis:** At an informal CIS summit in St. Petersburg on June 6, President Berdymukhamedov said he hoped to increase Turkmenistan's role as an associate member of the organization, [turkmenistan.ru](http://turkmenistan.ru) reported.

"Development of bilateral cooperation with all states, especially the CIS countries, is one of the main priorities of Turkmenistan's foreign political strategy," the Turkmen leader was quoted as saying. "We don't exclude interaction in expanded formats, depending on what problems are discussed and what issues are solved," he said. President Berdymukhamedov said he had met with most of the CIS heads of state and signed bilateral cooperation agreements with a number of them.

At the meeting, the Turkmen president proposed organizing an agro-industrial exhibition of machinery and technology, mindful of current food security issues.

### **e. President Berdymukhamedov Meets Ukrainian President Yushchenko**

**Original Title:** *Talks Between Leaders of Turkmenistan and Ukraine*

**Source:** Official government website site—Turkmen State News Agency (TDH)/06/7/08. Excerpt by OSI Turkmenistan Project.

**Full version:** <http://www.turkmenistan.gov.tm/en/?idr=1&id=080607b>

**Excerpt:** President Berdymukhamedov and Ukrainian President Viktor Yushchenko held talks in Strelina [during the informal CIS summit in St. Petersburg--TP].

[Passages omitted: on greetings and prospects for cooperation.]

Touching upon the future trends of Turkmen-Ukrainian partnership founded in a historical community and centuries-old ties of friendship between the two fraternal peoples, the two presidents reaffirmed reciprocal political will and readiness to make the traditional intergovernmental dialogue more constructive and pragmatic. The issues under discussion included aspects of trade and economic and humanitarian cooperation and the progress of the projects implemented by Ukrainian companies in Turkmenistan.

Viktor Yushchenko invited President Berdymukhamedov to visit Kiev. The President of Turkmenistan accepted the invitation with gratitude. The dates of the visit would be exacted through the diplomatic channels. By mutual arrangement the intergovernmental commission would hold a meeting to discuss the agenda of the top level talks and draft the package of the bilateral documents.

[Passage omitted: on traditions of friendship and past cooperation.]

## **f. U.S. Naval Forces Commanders Review Regional Security in Turkmenistan**

**Original Title:** *Russia, Turkmenistan to Complete Gas Price Talks by July: Report*

**Source:** *U.S. Embassy--Ashgabat/06/12/08. Excerpt by OSI Turkmenistan Project*

**Full version:** <http://turkmenistan.usembassy.gov/pr20080612.html>

Excerpt: Vice Admiral Kevin J. Cosgriff, Commander of U.S. Naval Forces Central Command (USNAVCENT), and Rear Admiral William Gortney, designated NAVCENT Commander, are visiting Turkmenistan June 12-13 to meet with the Minister of Defense and the Chairman of the State Border Service of Turkmenistan. During the meetings, they will discuss regional security and cooperation issues.

[Passages omitted: on biographies of naval commanders.]

## **g. OSCE May Monitor Turkmen Parliamentary Elections: Chair-in-Office**

**Original title:** *Turkmenistan May Allow OSCE to Monitor Parliamentary Election*

**Source:** *Associated Press/06/05/08. Synopsis by OSI Turkmenistan Project*

**Full version:** <http://www.iht.com/articles/ap/2008/06/05/asia/AS-GEN-Turkmenistan-Elections.php>

Synopsis: OSCE election observers may be permitted to monitor Turkmenistan's parliamentary elections in December, OSCE Chairman-in-Office Alexander Stubb told reporters, according to the Associated Press (AP). Stubb, the Finnish foreign minister, said that when he met with President Berdymukhamedov on June 5, "the response was both open and positive" to a proposal for "full access" to the December poll.

If allowed to proceed, the OSCE mission would be the first Western organization to monitor a vote in Turkmenistan since its independence in 1991, the AP said. In May, the Turkmen leader called for changes to the constitution to strengthen parliament, although he did not indicate whether any political groups other than the sole state-approved party would be allowed to participate. Stubb praised the Turkmen government's reform efforts, but noted that Turkmenistan was "not there yet" in meeting democratic benchmarks sought by the West. These include increased freedoms for non-governmental organizations and access by the International Committee of the Red Cross to prisons, Stubb said.

## **h. British Embassy in Ashgabat Opens English-Language Training Center**

**Original title:** *British Embassy Initiates English Training Center in Turkmen Capital*

**Source:** *BBC Monitoring—Central Asia/Official Turkmen government website/06/10/08*

Excerpt: A new foreign language training center opened at the Supreme Council for Science and Technology [SCST] under the President of Turkmenistan on the eve of the Day of Science that will be marked in Turkmenistan for the first time [on 12 June]. The center was arranged by the SCST leadership in cooperation with the British embassy in Turkmenistan.

[Passage omitted: center's help to students.]

The center is intended to help specialists of research institutes and higher educational establishments, as well as postgraduates doing doctoral research to improve their English language skills as well as skills in modern Internet technology. Visitors will find well-equipped computer rooms, a library and a resource center for language training methods. There is also a large choice of specialized literature, various dictionaries and reference books – everything that is necessary for research work.

[Passage omitted.]

## 2. DOMESTIC DEVELOPMENTS

### a. Turkmenistan Allows Home Internet Hook-ups

**Original title:** *Turkmen People Joining the Internet Revolution*

**Source:** *Moscow Times/06/06/08. Synopsis by OSI Turkmenistan Project.*

**Full version:** <http://www.themoscowtimes.com/article/1010/42/368057.htm>

**Synopsis:** Turkmentelekom, Turkmenistan's sole Internet provider, announced on June 5 that it had begun hooking up private homes to the Internet, the Moscow Times (MT) reported. So far, several hundred homes out of a waiting list of at least 2,000 were connected in the last week, mainly in Ashgabat, said the paper. A Turkmentelekom statement said the state-run company was providing the service regardless of the professional status of the customer, according to the report. Previously, only government offices, diplomatic posts, and international companies were able to obtain access to the Internet.

Last year, President Berdymukhamedov permitted Turkmenistan's first Internet cafes to open, with most charging U.S. \$2 per hour. Residential service in Turkmenistan will cost U.S. \$42 for the initial hook-up, then a monthly fee of \$8, plus one dollar per hour of use. With the average monthly salary in Turkmenistan only U.S. \$200, few are able to afford the cafes, let alone home connections. The government regularly blocks web sites it considers undesirable. Turkmentelekom offers only "exceptionally slow dial-up connection speeds," MT commented.

### b. Russia's MTS Offers Wireless Internet in Turkmenistan

**Original title:** *Wireless Internet Offered to Turkmen, Long Blocked from Private Access*

**Source:** *Associated Press/06/10/08. Synopsis by OSI Turkmenistan Project*

**Full version:** <http://www.iht.com/articles/ap/2008/06/10/business/AS-FIN-Turkmenistan-Internet.php>

**Synopsis:** The Russian telecom company MTS (Mobile Telesystems) announced on June 10 that it was offering wireless Internet service in Turkmenistan, the AP reported. The announcement followed a statement last week from Turkmenistan's state-run Internet provider – the only one to offer land line Internet connections – that it was offering home service.

MTS said that given the average monthly salary of \$200, wireless access in Turkmenistan will be costly by local standards, at U.S. \$3.50 per megabyte.

### c. Turkmenbashi Monuments Continue to be Dismantled in Ashgabat

**Original title:** *The Number of Monuments of Niyazov Decreases but His Ideas Remain Alive*

**Source:** *Turkmen Initiative for Human Rights (TIHR). /06/11/08. Reprinted with permission from TIHR.*

**Full version:** <http://www.chrono-tm.org/?0257044177000000000000011000000>

Another Turkmenbashi monument has been dismantled in Ashgabat ["Turkmenbashi" or "Head of All Turkmen" was a title adopted by the late Turkmen dictator Sapamurat Niyazov – TP]. It was located on the railway square in Ashgabat. Reconstruction work being done at the railway station served as an excuse to get rid of the stone statue of the former president.

Bas reliefs of Niyazov have also been removed from buildings, in particular, those on the façade of the building of the Humanitarian Association of World Turkmen.

Builders currently renovating buildings in the capital have been urged by top officials to complete their jobs by all means necessary by June 30. For example, the former Mir movie theater, renamed with the Turkmen word "Parakhat" ["peace" in Russian and Turkmen, respectively – TP] must be renovated by that date (it is currently under construction by Turkish workers).

June 30 is a new date in the country's history. People are still not used to it but officials are hurrying the builders so that projects are completed by this very day – the birthday of President Berdymukhamedov.

All that was connected with the name of the former governor of the country is slowly disappearing in Turkmenistan. However, many of the rules laid down by Niyazov are scrupulously observed by officials. They have learned a good lesson: the more ambitious the gifts, the more significant the upcoming day will be.

#### **d. Fashionable or Not, Turkmen Women Still Face Dress Code: RFE/RL Report**

**Original title:** *Turkmenistan: Moscow Designer Eyes Turkmen Fashion, As Locals Vie With Strict Dress Code*

**Source:** Radio Free Europe/Radio Liberty/06/10/08. Copyright (c) 2008. RFE/RL, Inc. Reprinted with the permission of Radio Free Europe/Radio Liberty, 1201 Connecticut Ave., N.W. Washington DC 20036. Excerpt by OSI Turkmenistan Project

**Full version:** <http://www.rferl.org/featuresarticle/2008/06/af3d0662-215f-44f5-8772-fb8fc7c67892.html>

Excerpt: [Passage omitted: on visit of Russian fashion designer Vyacheslav Zaitsev to Ashgabat to take part in Turkmen Textile Exhibition, and plans to make a new collection featuring elements of Turkmen costumes made exclusively from Turkmen cotton.]

Zaitsev's new collection is unlikely to be in high demand in Turkmenistan, however. Women there are still strongly encouraged to wear traditional costumes – long dresses covering ankles and a traditional hat called a "takhya." Uniforms are compulsory in schools, and girls' uniforms are entirely based on national costumes. They include bright green, ankle-length dresses decorated with embroidery. Male and female students must wear takhyas. Girls sport two long braids, and those with short hair attach fake plaits to their takhyas to meet the requirements.

Farid Tuhbatulin, head of the Turkmen Initiative Group in Vienna, says some students, especially non-Turkmen, are unhappy with the strict dress code imposed under late President Saparmurat Niyazov. In a report on human rights in Turkmenistan, the Turkmen Initiative Group wrote earlier this year that female teachers and university students, regardless of ethnicity, are forced to wear national costumes.

"In the beginning, when the dress code was introduced at universities, some students [who did not want to wear national costume] were deprived of their stipends, and others were threatened with possible expulsion from university," Tuhbatulin said. "This way, students were forced to accept university administrations' requirements."

Moreover, many families cannot afford the pricey school uniform, Tuhbatulin says. "Students are required to wear national costumes made from expensive fabrics, including a variety of types of velvet," he said. "The collar of the dress has to be decorated with specific embroidery. It costs a lot of money. Besides, during official ceremonies all students are required to wear almost identical clothes with the same color and style."

[Passages omitted: on impressions of visiting foreigners that women have little choice but to wear traditional costumes due to Turkmenistan's isolation; on statements by Turkmen women themselves that they chose to wear the boldly colored traditional clothing; on choice of some to combine both European and native elements of fashion.]

For now the state still dictates what they can wear, even if many Turkmen women would clearly rather make their own fashion decisions.

### **3. ECONOMIC NEWS**

#### **a. Gazprom CEO Says Western Courtship of Caspian Only Drives Up Energy Prices**

**Original Title:** *Gazprom CEO Bewildered by Push for Caspian Gas, Says Prices to Go Higher*

**Source:** *Global Insight*/06/11/08. Synopsis by OSI Turkmenistan Project

**Full version:** <http://www.globalinsight.com/SDA/SDADetail12873.htm>



**Synopsis:** At a press conference in Deauville, France, Gazprom CEO Alexei Miller said the European rush for Caspian gas has neither increased its energy security nor lowered the price of fuel, Global Insight reported. "Numerous officials and companies from the European Union, the United States and China have taken numerous diplomatic efforts aimed at obtaining a wider access to resources of this region," said Miller, who was in Deauville for the European Business Congress. "No new gas has appeared in Europe but competition among purchasers in the Caspian region strengthened. This immediately manifested itself in a sudden increase in prices," he was quoted as saying.

Miller said that many in the industry were starting to scrutinize Turkmenistan's ability to meet its many customers' demands, but refrained from making more critical remarks that had appeared in a draft press release obtained by Dow Jones before the event. According to Dow Jones the draft copy of Miller's speech had said: "Turkmenistan seems to be contracting gas volumes which are not guaranteed by proven reserves or real production capacities...as a result, some customers risk not actually getting the gas they are contracted to receive." The passage did not appear in the actual version of Miller's speech.

Europe and the U.S. have increased their focus on securing gas supplies from Azerbaijan and Turkmenistan, which could flow to Europe via a proposed trans-Caspian corridor that would link to the embattled Nabucco pipeline project from Turkey to central Europe, says Global Insight. This has enabled Caspian energy producers to charge more for exports. Yet commercial and practical concerns about Nabucco's economic viability appear to be subjected to political considerations, namely, that Europe should remain free of excessive energy dependence on Russia. Meanwhile, Russia has been undermining the Western campaign by getting other Nabucco members to support Gazprom's competing South Stream project.

## **b. Turkmen Leader Meets Russian, U.S. Business People**

**Original Title:** *Turkmen Leader Discusses Ties with Russian, US Firms*

**Source:** *BBC Monitoring Central Asia--Turkmen TV Altyn Asyr/06/11/08.*

**Synopsis:** President Berdymukhamedov of Turkmenistan received Igor Makarov, head of the Itera international group of companies. At the meeting, Itera's performance in Turkmenistan was reviewed and plans for future joint activities were agreed. The president also discussed partnership in oil and gas projects as well as other sectors with Makarov.

On the same day, Berdymukhamedov also received a group of officials from the John Deere company: Markwart von Pentz, head of the agricultural division for Europe, Africa and South America; Max Guinn, senior vice president for manufacturing and engineering of harvesting equipment; Rachel Ruth, chief manager; and Caba Leyko, regional sales director [last two names transliterated as received]. At the meeting, the sides discussed the prospects of partnership between Turkmenistan and John Deere, which has a long-standing relationship with the country.

## **c. President Berdymukhamedov Receives Siemens Executives**

**Original Title:** *President of Turkmenistan Receives Top Managers of German Companies*

**Source:** *Official Turkmen government website/Turkmen State News Agency (THD)06/10/08. Synopsis by OSI Turkmenistan Project.*

**Full version:** <http://www.turkmenistan.gov.tm/en/?idr=1&id=080610a>

**Synopsis:** President Berdymukhamedov received Rudi Lamprecht, executive advisor to the CEO of Siemens AG, Stephan Gotz, CEO of Gotz & Partner and Hans Prodel, another official of Gotz & Partner. The Turkmen leader noted that Turkmenistan had a long-standing relationship with Siemens, successfully implementing a number of projects in health care, communications, and other areas. Lamprecht proposed a draft plan of cooperation for the next 10-15 years. Gotz & Partner discussed opening an office in Ashgabat, and the president expressed his approval.

The two parties discussed possible cooperation in the energy sector, transport and communication, textile industry, and construction, as well as the prospect for projects in the Avaza national tourism zone on the Caspian coast.

The Turkmen leader encouraged the German companies to collaborate in developing the fuel and energy sector and introducing energy-saving technologies, and also to assist with the education of personnel. He said Turkmenistan was prepared to purchase equipment from Siemens. The German executives visited the Nebitchi children's health center in Geokdere which has been supplied with Siemens computer equipment.

*Unless otherwise indicated, all translations have been prepared by OSI's Turkmenistan Project.*

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